

Minutes of the Finance Committee

Wednesday, February 22, 2012

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Bill Zaborowski, Pamela Meyer, Dave Falstad, Jim Heinrich, and Rob Hutton. Heinrich and Falstad left the meeting at 12:08 p.m. **Absent:** Ted Rolfs.

Also Present: Chief of Staff Mark Mader, UW-Cooperative Extension Director Jerry Braatz, Budget Manager Keith Swartz, Inspector Steve Marks, Deputy Inspector Eric Severson, Jail Administrator Mike Giese, Baker Tilly LLC CPA Heather Acker, Accounting Services Manager Larry Dahl, Principal Financial Projects Analyst Bob Ries, Business Manager Betsy Forrest, Federated Library Director Tom Hennen, Administration Director Norm Cummings, Human Resources Manager Jim Richter, Senior Human Resources Analyst Renee Gage, and Budget Specialist Linda Witkowski. Recorded by Mary Pedersen, County Board Office.

Ordinance 166-O-091: Authorize Waukesha County University Of Wisconsin Cooperative Extension Office To Accept And Appropriate Funds For Educational Outreach Services To The City Of Waukesha For Their Lead Hazard Control Capacity Building Program

Braatz explained this ordinance to accept a total of \$115,268 in federal grant funds to provide educational outreach services related to the City of Waukesha's Lead Hazard Control Capacity Building Program. Haukohl noted that \$24,900 was previously accepted via separate ordinance for a total of \$115,268. The ordinance appropriates \$35,000 of this funding to cover expanded efforts this year including \$27,000 for state contracted educator time; \$2,400 for program materials, training and mileage reimbursement; \$2,200 for computer and other interdepartmental charges; and \$3,400 for countywide indirect cost recovery. Unspent funds will be carried over into the 2013 budget.

Braatz noted that additional outreach services were requested by HUD. He said the City of Waukesha, by far, has the highest concentration of homes built before 1959 and the City's funds will result in lead being removed from 140 homes.

MOTION: Falstad moved, second by Heinrich to approve Ordinance 166-O-091. Motion carried 6-0.

Ordinance 166-O-092: Modify The Waukesha County University Of Wisconsin Cooperative Extension Budget To Appropriate Community Partner Unspent Contributions And Donation Revenues Received In 2011

Braatz explained this ordinance which involves modifying the UW-Extension budget to appropriate Community Partner unspent contributions and donation revenues received in 2011 which lapsed into the general Fund at year-end. The funds total \$8,255 and will be added to \$15,000 already allocated in this year's budget to cover costs related to the spring 2012 Prescription Drug Collection Program.

MOTION: Heinrich moved, second by Hutton to approve Ordinance 166-O-092. Motion carried 6-0.

Approve Minutes of 1-18-12

MOTION: Heinrich moved, second by Hutton to approve the minutes of January 18. Motion carried 6-0.

Schedule Next Meeting Dates

- March 7

Chair's Executive Committee Report of 2-20-12

Haukohl highlighted the following items discussed at the last Executive Committee meeting.

- Approved three ordinances and four appointments that were included in the last set of County Board referrals.
- Heard reports from Internal Audit Manager Lori Schubert on unannounced cash counts (within .89 cents out of \$24,000); the operations audit of the County Clerk's Office (nine minor findings that the County Clerk is correcting or has corrected); the upcoming internal audit schedule to include outside contracted audits of the IT process, Emergency Services, and Parks and Land Use; and internal audits of the End User Technology Fund (follow-up), Health Insurance Fund, and various contracted services.

Ordinance 166-O-093: Amend Sheriff's Department 2012 Budget Expenditure Of Office Of National Drug Control Policy Cooperative Agreement Funds

Severson reviewed this ordinance to accept \$7,928 in federal grant funds to pay for overtime costs, vehicle lease payments, and equipment expenses (recording and computer projector) related to the department's participation in investigation and enforcement activities of the Milwaukee High Drug Trafficking Area (HIDTA). Staff expect any ongoing operating costs related to this award, including the recording equipment and computer projector, will be minimal and can be absorbed within the existing budget.

MOTION: Falstad moved, second by Zaborowski to approve Ordinance 166-O-093. Motion carried 6-0.

Ordinance 166-O-094: Appropriate Donated Funds For Motorcycle Unit And From Auction Proceeds To Purchase A New Motorcycle

Marks discussed this ordinance to appropriate \$15,337 of general fund balance (auction proceeds) to purchase a motorcycle for the department's Patrol Motor Unit. This purchase will replace a leased motorcycle. The department will go from three leased motorcycles to two leased and one owned. Motorcycles are not included in the County's Vehicle Replacement Fund and future replacements will be made from outside (non-tax levy) revenue sources at the time of replacement.

MOTION: Zaborowski moved, second by Hutton to approve Ordinance 166-O-094. Motion carried 6-0.

Ordinance 166-O-095: Accept Joint Federal Justice Assistance Grant And Modify Waukesha County Sheriff Department's 2012 Budget To Authorize Grant Expenditures

Marks reviewed this ordinance which authorizes the department to appropriate \$6,236 in federal grant funds in partnership with the City of Waukesha Police Department. The City will act as the

fiscal agent and will provide the funds as a condition of receiving a City of Waukesha grant award. The funds will be used to purchase additional safety equipment to enhance law enforcement operations such as tactical equipment (\$4,280), ammunition supplies (\$1,056), and child finger print kits (\$900).

MOTION: Falstad moved, second by Heinrich to approve Ordinance 166-O-095. Motion carried 6-0.

Ordinance 166-O-096: Amend 2012 Sheriff's Department Budget For The Expenditure Of Seized Funds To Participating Agencies In February 2012

Marks and Severson discussed this ordinance to disburse seized funds, not to exceed \$13,751, to the following participating Metro Drug Unit agencies: City of Waukesha (\$4,884), City of New Berlin (\$2,442), City of Brookfield (\$2,442), Village of Menomonee Falls (\$2,442), City of Muskego (\$337), Village of Hartland (\$488), Village of Pewaukee (\$488), and Village of Eagle (\$228).

Enrolled ordinance 141-41 (1986) authorized the Sheriff's Department to participate in a federal program, which transfers forfeited assets (seized funds) to those state and local agencies that contributed directly to the seizure of that property. To answer Hutton's question, Severson said the distribution to municipalities is generally routine and standardized.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-096. Motion carried 6-0.

State Legislative Update

Spaeth said Youth Aids was cut an additional 5% (originally cut 10%). The Water Management Grant, which is used to pay for State-mandated activities relative to conservation, was cut \$16,000. The bill on pothole liability, which the County supported, passed and is awaiting the Governor's signature. A bill to remove the cap on Family Care and extend the program to other counties passed the Senate. There is hesitation by the Assembly to expand it to other counties but removing the cap has general support. If they do not remove the cap, the State will lose federal funds. The County has concerns with a bill that would require us to use certain fonts when publishing legal notices. A bill to repeal comprehensive zoning passed the Assembly last year and had a hearing. The County opposes this bill and hopefully it will not move forward. A bill on airport improvement projects, which could result in more funds for Crites Field, is awaiting the Governor's signature. The Legislature is scheduled to conclude this session mid-March.

2011 Audit Planning

Ries, Dahl, and Acker were present to discuss this item as outlined in Acker's letter. Acker gave a status report on the 2011 external County audit which focuses on the County's Comprehensive Annual Financial Report by ensuring that the information in the report is accurate. Acker indicated audit planning started in November with site visits to departments to review accounts, establish the timeline, and request information for the audit. March and April are when the bulk of the fieldwork will be done such as verifying receivables, etc. The final report will be issued in May or June and includes a report on internal controls. Acker said it is very noteworthy that there have not been any major issues over the last few years, just some minor recommendations. The A-133 single audit on grants should be complete in August or September. Acker welcomed suggestions by the committee that could warrant additional attention this year.

Acker advised that she reviews this committee's minutes on a regular basis to aid in the audit process. Mader asked Acker if she felt this committee receives the appropriate fiscal information. Acker said County staff does a very good job presenting the key information this committee needs.

Ordinance 166-O-100: Transfer Carryover Funds From 2011 Unexpended Appropriations To 2012 Budgeted Appropriations

Ries and Dahl discussed this ordinance which authorizes the carryover of \$4,259,579 in unexpended appropriations from 2011 accounts into 2012 budgets to enable the purchase of goods or services which, for various reasons, were deferred to 2012. Staff reviewed each requested carryover as outlined in the ordinance.

MOTION: Falstad moved, second by Meyer to approve Ordinance 166-O-100. Motion carried 6-0.

Year-End Investments Report

Ries reviewed his year-end County investments report which included a list of highlights and information on valuation at cost and at market, investment revenue, average daily balance, total investment income, and the portfolios. The total return for the quarter was up 25 basis points from the last quarter, to 0.67%. The main factor for the increase was realized gains on the sale of securities of approximately \$223,100 from what was realized in the third quarter. Without any gains in either quarter, the total return would have increased by nine basis points. Total interest earnings for the quarter were \$1,055,007, up \$130,312 from the third quarter.

MOTION: Zaborowski moved, second by Heinrich to accept the year-end 2011 investments report. Motion carried 6-0.

Annual Report on Interest Allocations

Ries referred to his report titled "Summary of Current Interest Allocations" which included information on which funds/departments investment revenue is allocated to and year-end totals, authorization, and rationale. These funds include Capital Projects (bond proceeds only), Tarmann (year-end total \$130,549); Self-insured Health Insurance and Dental Insurance (\$65,486 and \$3,446); Risk Management (\$48,409); Vehicle/Equipment Replacement (\$56,029), Jail Assessment fees (\$33,127), Federated Library (\$21,654), Gold Course (\$20,452), Sheriff Seized (\$8,228), Ice Arena (\$11,831), Airport Security Deposit (\$1,197), Reuss Trust (\$133), Trunked Radio Infrastructure Deposits (\$21,085), Workforce Development Center (\$2,915), and CAFÉ Shared Automation (\$4,971).

MOTION: Heinrich moved, second by Hutton to accept the annual report on interest allocations. Motion carried 6-0.

Falstad left the meeting at 11:57 a.m.

Ordinance 166-O-089: Authorize The Waukesha County Department Of Public Works To Sign The 2012 I-94 Traffic Mitigation Agreement With The Wisconsin Department Of Transportation (WisDOT)

Forrest explained this ordinance which would allow the department to enter into a contract with WisDOT to provide additional contracted transit services during the I-94 repaving projects planned

between 3/1/12 and 6/28/12. Up to \$303,436 in State funds will be provided to Waukesha Metro Transit as the designated recipient. Waukesha Metro Transit plans to contract with Wisconsin Coach Lines to provide various transit services throughout the I-94 corridor during the repaving project. Forrest noted that the routes involved are 901, 904, and 905.

MOTION: Falstad moved, second by Zaborowski to approve Ordinance 166-O-089. Motion carried 6-0.

Ordinance 166-O-090: Modify Waukesha County Federated Library System 2012 Budget To Accept And Appropriate Grant Funding To Purchase E-Book Materials For The Federated Library System

Hennen explained this ordinance to accept \$24,659 in federal grant funds to help purchase E-Books through a statewide consortium. In addition, the Federated Library System's 2012 adopted budget currently includes \$46,683 for E-Book purchases for a total of \$71,342. E-Books are expected to be made available to library patrons in all library systems statewide.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 166-O-090. Motion carried 6-0.

Ordinance 166-O-097: Establish Salaries For Register Of Deeds, Treasurer And County Clerk For 2013-2016

Richter and Cummings were present to discuss this ordinance which involves increasing the annual salaries for the Register of Deeds, Treasurer, and County Clerk, 1.5% each year from 2013 through 2016. These increases will total \$15,098 over the four-year period. This does not include required annual contributions of about \$5,000 each for retirement based on the 2012 contribution rate of 7.05%. Gage distributed copies of "2012 Salaries for Counties with Populations Greater than 150,000," "Salary History 2007-2016," and "Elected Officials Summary of Across-the-board Salary Increases 2007-2016." Cummings reviewed the handouts and they were discussed at length.

Cummings felt the salary increases are reasonable and needed to attract qualified individuals to run for office. Meyer had concerns that the proposed increases may be too high because they are elected officials/public servants as opposed to non-elected employees whose abilities and job experience must be scrutinized before being offered a job. She preferred these positions were filled in the same manner as other employees. Cummings said the elected officials do make less money than appointed/hired department heads and in some cases the elected officials' deputies make more money than they do. As much as he sees the benefit of appointing these individuals as department heads, the State Constitution dictates they be elected.

MOTION: Falstad moved, second by Heinrich to approve Ordinance 166-O-097. Motion defeated 3-3. Zaborowski, Hutton, and Meyer voted no.

Ordinance 166-O-098: Approve 2012 Salary Modifications For Former AFSCME Master Bargaining Unit Employees

Richter discussed this ordinance which authorizes 2% across-the-board increases for the former AFSCME Master Bargaining Unit employees (400+ workers) effective December 31, 2011. Effective January of 2012, these employees began contributing one-half of the required pension contribution, or 5.9%. The net fiscal impact of this ordinance results in a savings of 3.21%.

Zaborowski had concerns with compensation, including pension, for County workers versus private sector workers. Cummings said the County will contract for a study on this comparison since the last one was done 15 years ago. While it is possible our pension and health insurance is better than most in the private sector, salaries may prove different in many cases. Cummings noted our pension fund is 97% funded, one of the best operating and managed funds in the country. He felt Zaborowski will be comfortable with the results of the study.

Hutton felt information on past year salary increases, similar to what was provided on the elected officials, would be helpful for this discussion. Richter said he would provide this information via email. Cummings said this ordinance results in a pay decrease when considering pension contributions and increased health insurance costs. He said it is important that these employees, no longer covered by labor unions, feel they are being treated fairly and similar to other employees. If they are treated fairly, they may not try to re-unionize if and when that possibility exists in the future. Richter noted on average, this is the lowest paid group of County employees with most of the positions being clerical in nature.

MOTION: Meyer moved, second by Heinrich to approve Ordinance 166-O-098. Motion carried 6-0.

Ordinance 166-O-099: Approve 2011 And 2012 Salary Modifications For Correctional Officer And Telecommunicator Employees

Richter explained this ordinance, which for the most part parallels Ordinance 166-O-098 (above). It adjusts the wage rates for employees formerly represented by the Waukesha County Professional Correctional Officer and Telecommunication Association. It includes 1.6% and 2.0% across-the-board increases effective January 1, 2011 and December 31, 2011, respectively. Effective July 30, 2011, these employees began contributing one-half of the required pension contribution, or 5.9%. The net fiscal impact of this ordinance results in a savings of 3.21%.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 166-O-099. Motion carried 6-0.

The committee recessed at 12:08 p.m. at which time Falstad and Heinrich left the meeting. The remaining committee members reconvened at 1:04 p.m.

Capital Projects Cost Performance Report and Approve Closeout Reserves

Witkowski reviewed her report titled "Capital Projects 2011 Year-end Report (Unaudited)" which included information on project title, status (percent complete for design, bid, and construction), original funding appropriations and balance.

Witkowski requested that the highway project reserve account be increased \$15,965 for Capital Project 9904 (CTH X, STH 50 – Harris Highlands). After the funds have been reserved, the project will be closed.

MOTION: Zaborowski moved, second by Meyer to approve increasing the highway project reserve account by \$15,965 for Capital Project 9904. Motion carried 4-0.

MOTION: Hutton moved, second by Meyer to accept the year-end capital projects cost performance report. Motion carried 4-0.

Closed Session

MOTION: Meyer moved, second by Hutton to go into closed session at 1:25 p.m. pursuant to Wis. Stats. 19.85(1)(g) to confer with legal counsel concerning strategy to be adopted with respect to matters which the County is or may be involved: J. May (workers comp.-Sheriff), T. Kasch (Facilities), and C. Butler (Sheriff), and to approve the closed session minutes of December 14, 2011. Motion carried 4-0.

MOTION: Meyer moved, second by Hutton to return to open session at 2:29 p.m. Motion carried 4-0.

MOTION: Meyer moved, second by Zaborowski to authorize a settlement of the Thomas Kasch claim in the amount of \$9,750 in exchange for settlement and full release of all claims. It is agreed that this matter will be resolved and not pursued further, as stated by Counsel. Motion carried 4-0.

MOTION: Hutton moved, second by Meyer to adjourn at 2:30 p.m. Motion carried 4-0.

Future Agenda Items

- Suggested for Executive Committee: Discuss the Future of those Proprietary Funds with Ongoing Negative Net Incomes (Zaborowski)

Respectfully submitted,

Pamela Meyer
Secretary